

CHAPTER 16. CONCLUSIONS

345. We conclude that the conditions to which the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948, applies prevail as respects the supply in the United Kingdom of electronic valves and cathode ray tubes as described in the reference made to the Commission by the Board of Trade on 4th December, 1954.

346. One ground for this conclusion is that the members of the British Radio Valve Manufacturers' Association together supply at least one-third of all the electronic valves and cathode ray tubes supplied in the United Kingdom, and that they so conduct their respective affairs as to restrict competition in connection with the supply of electronic valves and cathode ray tubes. Another ground is that Mullard Ltd. and its associated companies alone supply more than one-third of the electronic valves and cathode ray tubes supplied in the United Kingdom.

347. Total supplies of electronic valves and cathode ray tubes in the United Kingdom in 1954 and the supply by (i) all the members of the Association and (ii) Mullard Ltd. are shown in the following table :

	Valves	Tubes
Total number manufactured in the United Kingdom and supplied by the manufacturers to other concerns*	52.2 million	1.550 million
Sales ex Government stocks	1.2 million	—
Total retained imports†	8.5 million	0.404 million
Total	61.9 million	1.954 million
Total exports‡	5.0 million	0.014 million
Total supply in the United Kingdom	56.9 million	1.940 million
Total supplied by BVA members and subsidiary companies less direct exports‡	53.2 million	1.787 million
Total supplied by Mullard Ltd.§	38.1 million	0.993 million
Percentage of total supply in the United Kingdom attributed to:—		
(i) BVA members	93.5 per cent.	92 per cent.
(ii) Mullard	67 per cent.	51 per cent.

* About 2 million valves and 90,000 tubes are retained by the manufacturers for incorporation in complete equipment.

† According to the Trade Accounts.

‡ Direct exports taken at 5 million valves and 10,000 tubes.

§ Mullard's exports are by one of the Mullard non-manufacturing subsidiaries and are therefore included as supplies made by one company in the group to another. Mullard's supplies of unbranded valves to other BVA members are also included.

348. The manner in which the members of the BVA have so conducted their affairs as to restrict competition in the supply of valves and tubes has been outlined in Chapter 4 and dealt with more fully in the succeeding chapters.

349. At the time when our report was drafted the members of the BVA restricted competition in the following ways, among others :

- (i) Common retail prices.
- (ii) Collective resale price maintenance.
- (iii) Agreed discriminatory prices and discounts, including prices for maintenance valves and tubes that were higher than those charged for valves and tubes sold for first equipment.

- (iv) Exclusive dealing with equipment manufacturers, wholesalers and others.
- (v) Discriminatory lists of equipment makers, wholesalers and others.
- (vi) Restrictions on the freedom of BVA members and others to import.
- (vii) Common forms and periods of guarantee.

We were, however, as explained in paragraph (vii) of the Introduction, informed by the BVA when our inquiry was in its final stage that the Objects, Rules, Byelaws and Regulations of the Association had been amended in order to eliminate price fixing by agreement and collective resale price maintenance. These changes were to take effect in the various trading agreements on 1st September, 1956.

350. There are also certain restrictive agreements entered into by various individual companies which are referred to in Chapter 13.

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GORDON STOTT

A. S. GILBERT (*Secretary*)
7th September, 1956.

Note by Mr. C. E. Wrangham

Because of the pressure of other work I have been unable to attend the meetings at which this Report was considered, or to study fully the evidence on which it is based. It is for this reason that, although a member of the Group, I have not signed the Report.

C. E. WRANGHAM.